



# Public Service Commission of Wisconsin

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## **PSC Looks at Possible Fuel Cost Refund For MG&E and WPSC Customers**

MADISON –The Public Service Commission of Wisconsin launched a review today that could result in refunds, triggered by lower than forecast fuel costs for Madison Gas and Electric Company (MG&E) and Wisconsin Public Service Corporation (WPSC).

Reports filed by the utilities show that they are both outside the range set in their previous rate cases for fuel costs. For the first two months of 2005, MG&E was more than 10 percent below the amount predicted for fuel costs and WPSC was nearly 6 percent below. This amount includes the costs that WPSC was allowed to defer for costs related to the recent outage of the Kewaunee Nuclear Power Plant.

As part of the review process, the PSC will determine the reasons that caused the utilities' fuel costs to go outside the ranges and if the trend will continue. Based on the information gathered during the review, the Commission will determine if ratepayers should receive a refund, which would be provided at 11.50 percent interest.

Fuel rate cases are designed to provide flexibility to react to volatile fuel prices. In this case, the fuel costs were below a predetermined range, requiring PSC review. In other instances, fuel costs can rise above the range, in which case the utility would request an interim fuel rate increase.

The formal review of the fuel costs for MG&E and WPSC will be ongoing over the next several months.

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